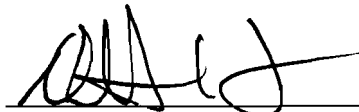


MARCH 29, 2010

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON MARCH 29, 2010, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, DEVELOPMENT, FEE WAIVER, AND TRUST ACCOUNTING BUSINESS MATTERS AS INDICATED AND WHICH BECAME EFFECTIVE AT 6:00 P.M. ON MARCH 29, 2010.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 2; SURFACE ACTIONS AS LISTED ON PAGES 2 TO 10; DEVELOPMENT ACTIONS AS LISTED ON PAGES 10 TO 17; ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 17; AND TRUST ACCOUNTING ACTIONS AS LISTED ON PAGE 18.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND MAY BE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 6:00 P.M. ON MONDAY, APRIL 12, 2010. APPEALS NOT FILED BY THAT TIME WILL NOT BE ACCEPTED AND THE MATTERS WILL BE CONSIDERED UNAPPEALABLE.

  
\_\_\_\_\_  
KEVIN S. CARTER, DIRECTOR  
SCHOOL AND INSTITUTIONAL  
TRUST LANDS ADMINISTRATION

  
\_\_\_\_\_  
LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

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**MINERAL ACTIONS**

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**TOTAL ASSIGNMENT – METALLIFEROUS MINERALS LEASE**

Upon recommendation of Mr. Stokes, the Director approved the assignment of the lease listed below to Utah Energy Corporation, 1300 S. Highway 191, P.O. Box 1346, Moab, UT 84532, by Uranium One Exploration U.S.A. Inc. No override.

OWNERSHIP BEFORE ASSIGNMENT:

OWNERSHIP AFTER ASSIGNMENT:

**RECORD TITLE:**

**RECORD TITLE:**

**URANIUM ONE EXPLORATION U.S.A. INC.-100%**

**UTAH ENERGY CORPORATION-100%**

....ML 49608 (SCH)....

**TOTAL ASSIGNMENTS – POTASH LEASES**

Upon recommendation of Mr. Stokes, the Director approved the assignment of the leases listed below to Potash Green Utah, LLC, 97 E. Mount Peale, Moab, UT 84532, by BUA USA LLC. No override.

OWNERSHIP BEFORE ASSIGNMENT:

OWNERSHIP AFTER ASSIGNMENT:

**RECORD TITLE:**

**RECORD TITLE:**

**BUA USA LLC – 100%**

**POTASH GREEN UTAH, LLC – 100%**

....ML 51444 (SCH)....ML 51445 (SCH)....ML 51446 (SCH)....ML 51447 (SCH).....ML 51448 (SCH).....  
....ML 51449 (SCH)....ML 51450 (SCH)....ML 51451 (SCH)....ML 51452 (SCH)....

**ADDITION TO ASSIGNMENT APPROVED ON DIRECTOR'S MINUTES OF JUNE 21, 1993 – UO-1207-ST – OIL, GAS, AND HYDROCARBON (SCH)**

The Director, on June 21, 1993, approved the assignment of 100% interest in operating rights from Surface of the Earth to the Base of the Green River Formation in part of lands: NE¼ Sec. 29, T9S, R22E, SLB&M., 160.00 acres to Coastal Oil & Gas Corporation by Coastal 1983 Drilling Joint Venture. No override, previous overrides as reserved. After further research, it has been found that the following assignment of operating rights interest should have been approved at that same time:

Assignment of 33.333% interest in operating rights from the Base of the Green River Formation down to but not below the stratigraphic equivalent depth of 6759 feet in part of lands: NE¼ Sec. 29, T9S, R22E, SLB&M., 160.00 acres, to Coastal Oil & Gas Corporation by Coastal 1983 Drilling Joint Venture. No override, previous overrides as reserved.

After this correction is made, the ownership as of this date for the NE¼ Sec. 29, T9S, R22E, SLB&M., 160.00 acres, is as follows:

**ADDITION TO ASSIGNMENT APPROVED ON DIRECTOR’S MINUTES OF JUNE 21, 1993 – UO-1207-ST – OIL, GAS, AND HYDROCARBON (SCH) (CONTINUED)**

Surface to Base of Green River Formation (4822’): KERR-MCGEE OIL & GAS ONSHORE LP – 100%

From Base of Green River Formation (4822’) to 6637’: EOG RESOURCES, INC. – 66.667%  
KERR-MCGEE OIL & GAS ONSHORE LP – 33.333%

From 6637’ to Top of Mancos Formation: KERR-MCGEE OIL & GAS ONSHORE LP – 100%

Upon recommendation of Ms. Garrison, the Director approved the above-listed addition.

**CORRECTION OF MARCH 8, 2010, DIRECTOR’S AGENDA (SCH)**

The Director’s Minutes of March 8, 2010, terminated the Salt Valley Anticline Unit, indicating that the following leases would receive a two-year extension to February 20, 2012. The leases were not committed to the unit, therefore, remained in a primary term status. The leases expired as of January 31, 2010:

<u>LEASE NO.</u>	<u>LESSEE</u>
ML 48396	Cabot Oil & Gas Corporation
ML 48398	Cabot Oil & Gas Corporation

*This item was submitted by Ms. Wells for record-keeping purposes only.*

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**S U R F A C E   A C T I O N S**

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**GRAZING PERMITS**

**GRAZING PERMIT NO. 23191 (ASSIGNMENT)**

Teichert Brothers LLC, P.O. Box 364, Cokeville, WY 83114, has requested the Trust Lands Administration’s permission to assign the above referenced grazing permit to Ronald Stuart and Kayleen Stuart, P. O. Box 74, Randolph, UT 84064. The assignment fee in the amount of \$64.00 has been submitted. Rich County. School and Deaf Funds.

The permit administrator has had the legal description reviewed by the GIS Group.

Upon recommendation of Mr. Scott Chamberlain, the Director approved the assignment of GP 23191.

**GRAZING PERMIT NO. 22447-09 (SUBLEASE APPROVAL)**

Okelberry Tintic LLC, P.O. Box 182, Goshen, UT 84633, has requested permission to sublease 100% of the above referenced grazing permit for a period of three years to Phillip E. Allred, 700 South 250 West, P.O. Box 96, Fountain Green, UT 84632. The sublease fee in the amount of \$138.50 has been submitted. Juab County. School Fund.

Upon recommendation of Mr. Scott Chamberlain, the Director approved the sublease for GP 22447-09.

**RANGE IMPROVEMENT PROJECTS**

**RANGE IMPROVEMENT PROJECT NO. 379 (APPROVAL)**

**APPLICANT'S NAME AND ADDRESS:**

Bureau of Land Management  
Vernal Office  
170 South 500 East  
Vernal, UT 84078

**LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:**

Township 12 South, Range 25 East, SLB&M  
Section 30: SW $\frac{1}{4}$   
Section 32: E $\frac{1}{2}$

The permit administrator has had this legal description reviewed by the GIS Group.

COUNTY: Uintah                      FUND: School

**REQUESTED/PROPOSED ACTION:**

The applicant proposes to lop and scatter approximately 70 acres of juniper which has encroached into various sagebrush openings. Cutting and scattering will all be done by hand. No vehicles will be used. No ground disturbance is anticipated. Slash will be lopped to less than 3 feet in height.

**RELEVANT FACTUAL BACKGROUND:**

The applicant submitted a proposal for this range improvement project on January 15, 2010.

The improvement proposal was circulated to the Resource Development Coordinating Committee ("RDCC"). Through RDCC, a notice was received from Uintah County stating that the County is supportive of the project.

Staff over cultural compliance has authorized this project to proceed.

A search of the Agency's records was made to determine the status of the area involved. The grazing permit of record is GP 22487-09, to Alameda Corporation. Alameda was contacted but did not reply. There are three (3) mineral leases, ML 49949, ML 46104, ML 46717, and one Predesignation (PRED 721) within the project area; however, due to the nature of the project, these will not be affected.

Project cost on trust lands is valued at \$2,100 (\$30.00/ acre). Because the applicant is not the permittee of record, the project will not be eligible for amortization. (Note: The life of the project (the benefit) is 15 years).

**RANGE IMPROVEMENT PROJECT NO. 379 (APPROVAL) (CONTINUED)****EVALUATION OF THE FACTS:**

This range improvement is in compliance with R850-50-1100(5)(a) and (b). The project does enhance the value of the resources pursuant to R850-50-1100(5)(c).

Upon recommendation of Mr. Scott Chamberlain, the Director approved Range Improvement Project No. 379. This summary will constitute the Record of Decision.

**RIGHTS OF ENTRY****RIGHT OF ENTRY NO. 5439 (APPROVAL)**

The School and Institutional Trust Lands Administration has received a right of entry application from Barsoom Pictures Inc., for "John Carter of Mars," 800 South Main, 3<sup>rd</sup> Floor, Burbank, CA 91506, to occupy the following described trust lands located within Kane County for commercial filming for a three month period:

Township 43 South, Range 2 East, SLB&M  
Section 3: S $\frac{1}{2}$ SE $\frac{1}{4}$  (within)

A cultural resource survey has been completed on the project area where ground disturbance is proposed and no sites were found. The survey has been reviewed by the State Historic Preservation Office ("SHPO") and the Agency's staff archaeologists, who concur with the findings.

The fee for this right of entry is \$19,950.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$20,050.00. Beginning Date: March 22, 2010. Expiration Date: June 23, 2010. School Fund. Kane County.

A \$5,000.00 cash security deposit/bond has also been received for this permit.

Upon recommendation of Mr. Lou Brown, the Director approved Right of Entry No. 5439.

**RIGHT OF ENTRY NO. 5440 (APPROVAL)**

On March 22, 2010, the School and Institutional Trust Lands Administration received an application from Flying J Outfitters, P.O. Box 70, Myton, UT 84062, to occupy all trust land located within the State of Utah, except for those lands subject to existing leases or permits which grant access control, and those lands that have been withdrawn or may be withdrawn by order of the Director, to conduct commercial hunting guide services for a one-year term.

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. Beginning date: April 1, 2010. Expiration date: March 31, 2011. Funding: School = 96.68%, USU = 0.83%, Deaf = 0.16%, USH = < 0.01%, Blind = 0.01%, MH = 0.18%, NS = 0.16%, PB = < 0.01%, SYDC = < 0.01%, RES = 1.26%, SM = 0.21%, UNIV = 0.51%.

Upon recommendation of Ms. Jeanine Kleinke, the Director approved Right of Entry No. 5440 for a one-year term.

**EASEMENTS**

**EASEMENT NO. 1090 (APPROVAL)**

APPLICANT'S NAME AND ADDRESS:

EOG Resources, Inc.  
Attn: Kaylene Gardner  
1060 E. Highway 40  
Vernal, Utah 84078

LEGAL DESCRIPTION:

Township 11 South, Range 19 East, SLB&M  
Section 2: NE $\frac{1}{4}$ NE $\frac{1}{4}$  (within)

Pipeline Easement:

A 40 foot wide easement, 20 feet on each side of the following described centerline:

Beginning at a point on the east line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 2, T11S, R19E, SLB&M, which bears S 00°21'36" E 605.35 feet from the northeast corner of said Section 2; thence N 85°04'18" W 282.55 feet; thence N 78°27'57" W 164.35 feet; thence N 08°36'28" E 140.65 feet; thence N 02°46'18" W 223.18 feet; thence N 04°19'56" W 183.19 feet to a point on the north line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 2 which bears S 89°32'23" W 442.33 feet from the northeast corner of said Section 2. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 0.91 acre more or less.

Access Road Easement:

A 40 foot wide easement, 20 feet on each side of the following described centerline:

Beginning at a point in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 2, T11S, R19E, SLB&M, which bears S 35°25'56" W 710.83 feet from the northeast corner of said Section 2; thence S 77°46'15" E 130.85 feet; thence S 85°25'48" E 289.09 feet to a point on the east line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 2 which bears S00°21'36"E 629.94 feet from the northeast corner of said Section 2. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 0.39 acre more or less.

The easement administrator has had this legal description reviewed by the GIS Group.

COUNTY: Uintah

ACRES: 1.30

FUND: School

PROPOSED ACTION:

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain an access road and a 4" diameter surface natural gas pipeline within T11S, R19E, Section 2, in Uintah County. The access road and pipeline will service the Wild Horse Divide 13-1 Well, which is located on adjacent federal lands to the east. The proposed easement corridor is a total of 1,413.86 feet long and 40 feet wide, containing 1.30 acres. The requested term of the easement is 30 years.

**EASEMENT NO. 1090 (APPROVAL) (CONTINUED)****RELEVANT FACTUAL BACKGROUND:**

The subject "Application to Purchase an Easement" was received on March 28, 2006. It was submitted for the Agency's review on April 6, 2006, and was accepted by the Director on April 21, 2006.

The proposed easement was sent to the Resource Development Coordinating Committee ("RDCC"), the Uintah Basin Association of Governments, and the Uintah County Commission for review on April 6, 2006. The following comments were received from RDCC:

Department of Environmental Quality/Division of Air Quality:

*"The proposed construction and operation of a natural gas pipeline and access road, to service the proposed Wild Horse Divide 13-01 Well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 W., Salt Lake City, Utah 84116, for review according to the Utah Air Quality Rule R307-401, Permit: Notice of Intent and Approval Order. The proposed project is also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than ¼ acre in size. A permit is not required, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, and windbreaks. A copy of the rules may be found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm):*

Utah Geological Survey:

*"There are significant paleontological localities recorded in our files for this project area, and the Eocene Uinta Formation that is exposed here has the potential for yielding additional significant vertebrate fossil localities. The office of the State Paleontologist, therefore, recommends that a paleontological survey be conducted for this project:*

The project area has been surveyed for cultural resources by Montgomery Archaeological Consultants (U-06-MQ-533b,s).

The project area has been surveyed for paleontological resources by Intermountain Paleo-Consulting (Report No. 06-108).

**EVALUATION OF FACTS:**

The comments submitted through the RDCC have been evaluated and the Agency's response was as follows:

Utah Division of Air Quality:

*"The applicant has been informed of the comments submitted by the Utah Division of Air Quality. Furthermore, our easement agreement requires that the Grantee comply with the provisions of all Federal, State, County, and Municipal laws, ordinances, and regulations which are applicable to the subject tract and operations covered by the easement."*

**EASEMENT NO. 1090 (APPROVAL) (CONTINUED)**

Utah Geological Survey:

*"A paleontological survey of the proposed easement corridor has been conducted by Intermountain Paleo-Consulting (Report #06-108). The areas examined showed no signs of fossil material. Therefore, it was recommended that no paleontological restrictions be placed upon the development of the project. If any vertebrate fossils are discovered during construction, a qualified paleontologist will be contacted to evaluate the discovery."*

The applicant has been notified of the comments received from the RDCC as well as the Agency's response.

The Agency's Archaeology staff has reviewed the cultural resource documents submitted in support of the proposed easement and has granted cultural resource clearance for the project with a finding of "No Historic Properties".

The Agency's staff paleontologist has reviewed the paleontological survey that was submitted in support of the proposed easement. No fossil materials were found during the course of the survey; therefore, it was recommended that no paleontological restrictions be placed upon the development of the project. The Agency's staff paleontologist concurs with this recommendation. If any fossil materials are discovered during construction, a qualified paleontologist should be notified immediately to evaluate the discovery.

**RECOMMENDATION:**

Upon recommendation of Mr. Chris Fausett, the Director approved the applicant's request for a non-exclusive easement. The term of the easement will be for 30 years beginning April 1, 2010, and expiring March 31, 2040. The application fee of \$600.00 and the easement rental assessment of \$1,104.61 have been submitted. Pursuant to Rule R850-40-1800, an administrative fee will be charged every three years throughout the term of the easement, with the first payment being due on January 1, 2013.

**EASEMENT NO. 1548 (APPROVAL)**

**APPLICANT'S NAME AND ADDRESS:**

Highline Dairy, LLC  
818 Bristlecone Lane  
Delta, Utah 84624

**LEGAL DESCRIPTION:**

Township 18 South, Range 5 West, SLB&M  
Section 6: Lots 1-4 (within)

A 10 foot wide easement, being 5 feet on either side of the following described centerline:

Beginning at a point on the west line of Section 6, T18S, R5W, SLB&M, said point being located South 73.16 feet, more or less, along said section line from the northwest corner of said section; thence running N 88°26'10" W 1869.04 feet; thence N 88°28'15" W 1482.63 feet; thence S 89°44'39" W 333.44 feet; thence S 86°36'35" W 170.06 feet; thence S 75°18'18" W 178.19 feet; thence S 10°58'11" W 129.31 feet to the point of terminus at an existing water well. Basis of bearings is a GPS observation. Total length of said centerline is 4,162.67 feet. Contains 0.96 acre, more or less.

**EASEMENT NO. 1548 (APPROVAL) (CONTINUED)**

The easement administrator has had this legal description reviewed by the GIS Group.

COUNTY: Millard

ACRES: 0.96

FUND: Reservoirs

**PROPOSED ACTION:**

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain a buried 8-inch diameter water pipeline. The proposed pipeline will transport water from a recently drilled well to the applicant's property located to the east and will support the applicant's dairy operation. The well site is located on trust lands and has been authorized under Right of Entry No. 5415. It is anticipated that a long term lease will be established for the well site. The proposed pipeline will run alongside the southern edge of an existing county maintained road and will be located entirely within the disturbed area of the road shoulder. The proposed easement corridor is 4,162.67 feet long and 10 feet wide, containing 0.96 acre. The requested term of the easement is 30 years.

**RELEVANT FACTUAL BACKGROUND:**

The subject "Application to Purchase an Easement" was received on February 1, 2010. It was submitted for the Agency's review on February 10, 2010, and was accepted by the Director on March 1, 2010.

**EVALUATION OF FACTS:**

The proposed easement was exempt from review by the Resource Development Coordinating Committee ("RDCC") since the pipeline will be constructed entirely within a previously disturbed area and is located within the county road right-of-way.

The Agency's Archaeological staff has reviewed the proposed easement and found that the pipeline will bisect a known eligible historic property. However, after evaluating the proposal, the Agency's Archaeological staff recommended a finding of "No Adverse Effect" on this eligible historic property. The State Historic Preservation Office ("SHPO") has concurred with this finding. No further cultural resource studies were required.

**RECOMMENDATION:**

Upon recommendation of Mr. Chris Fausett, the Director approved the applicant's request for a non-exclusive easement. The term of the easement will be for 30 years beginning March 15, 2010, and expiring March 14, 2040. The application fee of \$750.00 and the easement rental assessment of \$3,027.40 have been submitted. Pursuant to R850-40-1800, an administrative fee will be paid every three years throughout the term of the easement with the first payment being due on January 1, 2013.

**EASEMENT NO. 761 (ASSIGNMENT)**

NTCH-Colorado Inc., 703 Pier Avenue, Suite B, PMB813, Hermosa Beach, California 90254, has requested permission to assign 100% of its interest in Easement No. 761 to SBA Towers II, LLC, 5900 Broken Sound Parkway NW, Boca Raton, Florida, 33071. Easement No. 761 was issued for an overhead power line to service a telecommunications site (SULA 1294) on January 1, 2004, for a term of 30 years, expiring December 31, 2033. All requirements for assignment, established pursuant to Rule R850-40-1600, have been satisfied. The required \$250.00 assignment fee has been paid. The expiration date of the easement remains December 31, 2033. Grand County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Easement No. 761.

**SPECIAL USE LEASE AGREEMENTS****SPECIAL USE LEASE AGREEMENT 959 (THREE-YEAR REVIEW)**

SULA 959 is a telecommunications special use lease agreement, issued to Line One, Inc., 57 West 1740 North, Orem, UT 84057. The lease site is located in Utah County.

**1. ANNUAL BASE RENTAL:**

The three-year lease rental review date for this telecommunication lease is April 1, 2010. The subject property is used for the purpose of a communication site on the Lake Mountain site. The lease agreement provides for periodic increases in the rental amount. Pursuant to the use of the consumer price index inflationary adjustment, it is recommended that the annual base rental be increased from \$5,900.00 per year to \$6,320.00 per year, effective April 1, 2010. A certified notice was sent to inform the lessee of this action. The lessee replied by phone for a brief discussion of the rental increase on the base rental and the subleases.

Subleasing: Any subleasing revenue assessed is in addition to the annual base rental amounts discussed above. There are three known active subleases on the site. The previous Sublessees, No. 1 and No. 5, are no longer on the site. Sublease No. 4 is being increased from \$3,000.00 to \$3,210.00 (portion due Trust Lands). Another two subleases, Sublease No. 2 and Sublease No. 3 are to have the sublease rental portion that comes to Trust Lands increased from \$2,190.00 per year to \$2,340.00 per year, effective April 1, 2010. This is a CPI inflationary adjustment for each. The sublease rental due Trust Lands for Sublease No. 2 and No. 3 is paid in arrears at the end of each lease year. Sublease No. 4 is paid at the beginning of the lease year.

Preliminary Estimate of Land Value: \$290.00 (Based on \$1,000.00 per acre)

New Annual Base Rental Amount: \$6,320.00

Acres in Lease: 0.29

Rental Amount / Acre: \$21,793.00

The existing communication lease site is considered the highest and best use of a small parcel of this type of land. The difference in the fair market value of the subject parcel and the surrounding lands valued as raw lands vs. the highest and best use return as a communication site is significant.

**2. DUE DILIGENCE AND PROPER USE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force. The leased premises are being used in accordance with the lease agreement.

**3. ADEQUATE INSURANCE AND BOND COVERAGE:**

Insurance coverage is current and adequate for the lease agreement. The bond for the lease is also current.

**4. ESTABLISHMENT OF WATER RIGHTS:**

There are no water rights associated with this lease.

**5. POLLUTION AND SANITATION REGULATIONS:**

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

**SPECIAL USE LEASE AGREEMENT 959 (THREE-YEAR REVIEW) (CONTINUED)**

- 6. GIS REVIEW:  
The GIS Group has reviewed the legal description associated with this lease and found no errors.
- 7. NEXT REVIEW DATE:  
The next review date will be the lease expiration date of March 31, 2013.

Upon recommendation of Mr. Gary Bagley, the Director approved the three-year review for SULA 959.

**SPECIAL USE LEASE AGREEMENT NO. 1671 (RECLAMATION BOND)**

Pursuant to Paragraph 10.4 (a) of the lease agreement, Questar Gas Management Company, P.O. Box 2819, Rock Springs, WY 82902, has submitted Corporate Surety Bond No. 965 010 652. The bonding company is Liberty Mutual Insurance Company, 175 Berkeley St., Boston, MA 02117. The reclamation bond is for \$5,000.00 and will remain in full force and effect until released by the Trust Lands Administration. Uintah County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director accepted the bond submitted for SULA 1671.

**SPECIAL USE LEASE AGREEMENT NO. 1471 (RECLAMATION BOND)**

Pursuant to Paragraph 14 of the lease agreement, Beehive Telephone Company, Inc., 2000 E. Sunset Road, Lakepoint, UT 84074, has submitted a Cash Bond for the above-referenced lease. The reclamation bond is for \$5,000.00 and will remain in full force and effect until released by the Trust Lands Administration. Wayne County. School Fund.

Upon recommendation of Mr. Gary Bagley, the Director accepted the Cash Bond submitted for SULA 1471.

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**DEVELOPMENT ACTIONS**

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**DEVELOPMENT SUBDIVISION SALE**

THE FOLLOWING SALE HAS BEEN EXECUTED AND PATENT ISSUED FOR:

SUBD 10.0 Highland Park Phase 1 Subdivision

This transaction has been executed pursuant to Development Lease DEVL 610.

LEGAL DESCRIPTION: (SUBDIVISION)

Section 18, Township 42.0 S, Range 14.0 W, SLBM  
Section 7, Township 42.0 S, Range 14.0 W, SLBM

PURCHASER:

GOLDEN HERITAGE HOMES, INC.  
2303 N. CORAL CANYON BLVD., SUITE 200  
ST. GEORGE, UT 84780

**DEVELOPMENT SUBDIVISION SALE - HIGHLAND PARK PHASE 1 SUBDIVISION (CONTINUED)**

LOT SALE DESCRIPTION:

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Lot 215	26377-10-215	03/19/10	19928-10-215	07/07/06	\$18,482.59	\$20.00	0.28	SCH	7

This legal description has been reviewed by the GIS Group.

LIST MINERAL RESERVATIONS:

Subject to a reservation to the State of all coal and other mineral deposits along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Subject to an easement across the property for utilities as shown on the recorded plat map; also,

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute; also,

Subject to the Covenants, Conditions, and Restrictions that have been recorded for the Subdivision.

*This item was submitted for record-keeping purposes by Andrea James.*

**DEVELOPMENT SALE - CANYON RIDGE HOME OWNERS ASSOCIATION OPEN SPACE PARCEL (PS 8462)**

THE FOLLOWING SALE HAS BEEN EXECUTED AND A PATENT ISSUED FOR THE CANYON RIDGE H.O.A. OPEN SPACE PARCEL PURSUANT TO THE DEVELOPMENT LEASE AGREEMENT NO. 710.

CERTIFICATE NO.: 26503  
PRE SALE NO.: 8462  
PATENT NO.: 20157  
PROJECT: Cedar City Golf Course  
PROJECT CODE: CDCGC 000 00  
PROJECT MANAGER: Rodger Mitchell  
PRICE: \$13,154.50  
FUND: School

BUYER:

CANYON RIDGE HOMEOWNERS ASSOCIATION INC.  
P.O. Box 146  
Cedar City, UT 84721

LEGAL DESCRIPTION:

Township 36 South, Range 11 West, SLB&M  
Sections 1 & 2 (within)

BEGINNING AT THE NORTHWEST CORNER OF SECTION 1, TOWNSHIP 36 SOUTH, RANGE 11 WEST, OF THE SALT LAKE BASE MERIDIAN; THENCE N89°35'25"E, ALONG THE SECTION LINE, 141.29 FEET TO THE SOUTHWEST CORNER OF SECTION 36, TOWNSHIP 35 SOUTH, RANGE 11 WEST;

**DEVELOPMENT SALE - CANYON RIDGE HOME OWNERS ASSOCIATION OPEN SPACE PARCEL  
(PS 8462) (CONTINUED)**

THENCE N89°47'49"E, ALONG THE SECTION LINE, 2,500.59 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 1; THENCE S00°22'11"E, ALONG THE NORTH-SOUTH CENTER SECTION LINE, 2,280.61 FEET TO THE CENTER QUARTER CORNER; THENCE N89°55'42"W, ALONG THE EAST-WEST CENTER SECTION LINE, 937.86 FEET TO THE SOUTHEAST CORNER OF THE CANYON RIDGE PHASE 4 P.U.D.; THENCE ALONG THE BOUNDARY LINE OF SAID P.U.D. THE FOLLOWING COURSES: N09°40'16"W, 442.37 FEET; THENCE S73°58'21"W, 325.08 FEET; THENCE N12°39'52"W, 103.07 FEET; THENCE N86°13'42"W, 303.61 FEET; THENCE N28°58'04"W, 244.83 FEET; THENCE N61°30'34"E, 65.88 FEET; THENCE N22°24'54"E, 126.62 FEET; THENCE N33°07'56"E, 133.29 FEET; THENCE N25°36'36"E, 94.90 FEET; THENCE N51°43'51"W, 154.63 FEET; THENCE N82°26'42"W, 487.47 FEET; THENCE S84°57'16"W, 287.29 FEET; THENCE S37°02'11"W, 133.22 FEET; THENCE S57°24'13"W, 160.38 FEET; THENCE S00°04'33"E, 22.56 FEET TO A POINT LOCATED ON THE NORTH BOUNDARY LINE OF THE CANYON RIDGE PHASE 2 P.U.D.; THENCE ALONG THE BOUNDARY LINE OF SAID PHASE 2 P.U.D. THE FOLLOWING COURSES: N62°30'24"W, 807.73 FEET; THENCE N45°19'21"W, 810.58 FEET; THENCE N58°53'13"W, 137.54 FEET; THENCE N54°59'50"W, 25.52 FEET; THENCE N64°40'20"W, 24.48 FEET; THENCE DEPARTING SAID PHASE 2 BOUNDARY AND RUNNING N89°37'42"E, 122.57 FEET; THENCE N00°14'35"W, 274.19 FEET TO A POINT LOCATED ON THE NORTH LINE OF SAID SECTION 1; THENCE N89°35'25"E, 1,330.57 FEET TO THE POINT OF BEGINNING.

Containing 133.42 acre(s), more or less.

This legal description has been reviewed by the GIS Group.

MINERAL LEASES GIVEN UP:                   None

SURFACE LEASES GIVEN UP:                 None

**LIST MINERAL RESERVATIONS:**

Excepting and reserving to the State of Utah, for the benefit of the State and its successor in interest, assigns, permittees, licensees and lessees from time to time, all coal, oil and gas and other mineral deposits, along with the right for the State or other authorized persons or entities to prospect for, mine, and remove the deposits.

**LIST SURFACE RESERVATIONS:**

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, subject to exceptions and reservations contained in federal patents and clear lists, and subject also to all rights of way for ditches, tunnels, and telephone transmission lines that have been or may be constructed by the United States as provided by statute; also,

Subject to an express covenant that the conveyed property shall be held and shall not be used for any purposes other than as private open space and for non-motorized pedestrian and equestrian recreation and for the benefit of the homeowners of Canyon Ridge Development and that the only features that may be constructed on the conveyed property are those incidental or reasonably related to the use of the conveyed property for those purposes, which covenants shall run with the land and shall be enforceable by the State of Utah, its successors and assigns.

*This item was submitted by Andrea James for record-keeping purposes.*

**DEVELOPMENT REAL PROPERTY EXCHANGE NO. 333 - BOWEN-LEAVITT REAL ESTATE, INC.**

THE FOLLOWING PROPERTY EXCHANGE WAS EXECUTED, AND A PATENT ISSUED, ON JANUARY 29, 2010, PURSUANT TO THE LAND EXCHANGE AGREEMENT DATED DECEMBER 23, 2009.

EXCHANGE NO.	333
EXCHANGE PATENT NO.	20136
EXCHANGE PATENT DATE:	December 23, 2009
WARRANTY DEED NO.:	000211
WARRANTY DEED DATE:	January 15, 2010
PROJECT:	CORDR 000 00
PROJECT CODE:	Cordero
PROJECT MANAGER:	Rodger Mitchell
DATE OF AGREEMENT:	December 23, 2009
DATE OF EXECUTION:	January 29, 2010
TOTAL PRICE:	\$21,000.00
FUND:	School
COUNTY:	Iron
BOARD NOTIFICATION:	March 19, 2009

Buyer:

BOWEN-LEAVITT REAL ESTATE, INC.  
P.O. Box 1027  
216 S. 200 W.  
Cedar City, Utah 84721

**DESCRIPTION OF TRANSACTION:**

The State of Utah Trust Lands Administration exchanged 2.414 acres of trust lands described below for 0.708 acre of adjacent land and a cash equalization payment of \$19,976.50. The 2.414 acres given up was appraised at \$14,913.01 per acre, and the 0.708 acre received was appraised at \$21,186.44 per acre, or \$15,000.00 for the parcel. The cash payment equals the difference in exchanged land values less shared deductions for engineering surveying and escrow closing costs.

**LEGAL DESCRIPTION OF LANDS GIVEN UP:**

Township 36 South, Range 11 West, SLB&M  
Section 32: (within) S $\frac{1}{2}$ S $\frac{1}{2}$ N $\frac{1}{2}$ NE $\frac{1}{4}$

Beginning at a point N 89°56'29" E along the 1/16 section line 617.03 feet from the SW corner of the North  $\frac{1}{2}$  of the NE  $\frac{1}{4}$  of Section 32, T36S, R11W, SLB&M (said point being on the Southerly N/A line of Interstate 15) and running along said line the following three (3) courses: N 70°48'04" E 269.28 feet; thence N 64°55'15" E 231.55 feet; thence 219.22 feet along the arc of a non-tangent curve to the left (chord bears N 70°22'41" E 219.22 feet) through a central angle of 00°54'20" and radius of 13870.99 feet; thence S 29°39'07" E 298.58 feet to the 1/16 section line; thence S 89°56'29" W along said line 818.23 feet to the point of beginning.

Containing 2.414 acres, more or less.

The legal description has been reviewed by the GIS Group.

Lands conveyed by State of Utah Patent No. 20136 dated December 23, 2009.

**DEVELOPMENT REAL PROPERTY EXCHANGE NO. 333 - BOWEN-LEAVITT REAL ESTATE, INC.  
(CONTINUED)**

**LIST MINERAL RESERVATIONS:**

Excepting and reserving to the State of Utah all coal, oil, gas, hydrocarbons and other mineral deposits, along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

**LIST SURFACE RESERVATIONS:**

Excepting and reserving to the State of Utah any water rights associated with this parcel, including Water Right No. 73-1295; also

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, subject to all matters which an accurate survey and physical inspection of the parcel would disclose, subject to exceptions and reservations contained in federal patents and clear lists, and subject also to all rights of way for ditches, tunnels, and telephone transmission lines that have been or may be constructed by the United States as provided by statute.

**LEGAL DESCRIPTION OF LANDS RECEIVED:**

Township 36 South, Range 11 West, SLB&M  
Section 32: (within) S $\frac{1}{2}$ S $\frac{1}{2}$ N $\frac{1}{2}$ NE $\frac{1}{4}$

**BOWEN-LEAVITT PARCEL (0.708 acre)**

Beginning at a point N 89°56'29" E along the 1/16 section line 1435.27 feet from the NW corner of the South  $\frac{1}{2}$  of the NE  $\frac{1}{4}$  of Section 32, T36S, R11W, SLB&M and running thence N 89°56'29" E along said 1/16 line 359.05 feet to the Northerly R.O.W. line of Old Hwy. 91; thence Southwesterly along said line along the arc of a non-tangent curve to the right 312.70 feet (chord bears S 57°34'11" W 312.58 feet) through a central angle of 05°33'25" and radius of 3224.20 feet; thence departing said R.O.W. line, N 29°39'07" W 192.47 to the point of beginning.

Containing 0.708 acre, more or less.

The legal description has been reviewed by the GIS Group.

Lands conveyed by General Warranty Deed No. 000211 dated January 15, 2010.

**LIST MINERAL RESERVATIONS:**

Excepting and reserving to BOWEN-LEAVITT REAL ESTATE, INC., a Utah corporation, all coal, oil, gas, hydrocarbons and other mineral deposits along with the right for BOWEN-LEAVITT REAL ESTATE, INC., or other authorized persons to prospect for, mine, and remove the deposits. Any water rights associated with this parcel are also hereby reserved to BOWEN-LEAVITT REAL ESTATE, INC.

**LIST SURFACE RESERVATIONS:**

Subject to reservations of record and all matters which an accurate survey and physical inspection of the parcel would disclose.

Upon recommendation of Ms. Andrea James, the Director approved this exchange/sale.

**BLUEGRASS WAY ROAD DEDICATION (DEVL 933)**

PROJECT: South Block, Milepost 2  
PROJECT MANAGER: Brent Bluth  
PROJECT CODE: SOBLK 001 00  
BENEFICIARY: School  
RECORDING DATE: March 19, 2010  
PLAT DEDICATION NO.: 195

CONVEYANCE TO:  
St. George City  
175 East 200 North  
St. George UT 84770

DESCRIPTION:

This dedication is executed pursuant to Par. 8.2 (d) of Development Lease Number 721 between the Trust and Sun River St. George Development L.C. dated December 5, 2005. This road is essential for the Sun River development to the west, as well as directly necessary for the development of trust lands to the north and east of Bluegrass Way, according to the approved master plan for the Milepost 2 interchange area. It helps realize the optimal value for these lands as it provides access to the surrounding parcels. This dedication is in line with what is customarily expected of developers of large tracts of land.

LEGAL DESCRIPTION:

Township 43 South, Range 16 West, SLB&M

Section 23: (the northeastern half of the right of way is on Trust Lands - 0.75 acre)

Beginning at a point being on the Easterly line of Sun River St. George Phase 12, said point being North 01°13'39" East 3,794.58 feet along the section line and East 3,960.37 feet from the Southeast Corner of Section 22, Township 43 South, Range 16 West, Salt Lake Base & Meridian, and running thence North 33°18'02" East 66.00 feet along the westerly line of said Phase 12; thence South 56°41'58" East 756.81 feet; thence southeasterly 138.92 feet along an arc of a 833.00 foot radius curve to the right (center bears South 33°18'02" West long chord bears South 51°55'19" East 138.76 feet with a central angle of 09°33'19"); thence South 47°08'39" East 22.92 feet; thence easterly 44.13 feet along an arc of a 30.00 foot radius curve to the left (center bears North 42°51'21" East long chord bears South 89°17'01" East 40.26 feet with a central angle of 84°16'45"); thence northeasterly 263.57 feet along an arc of a 602.00 foot radius curve to the right (center bears South 41°25'24" East long chord bears North 61°07'11" East 261.47 feet with a central angle of 25°05'09"); thence North 73°39'45" East 8.44 feet; thence South 56°41'58" East 15.75 feet to the Right-of-Way Easement Entry No. 594444 as found on file at the Washington County Recorder's Office; thence South 73°39'45" West 18.64 feet along said easement; thence southwesterly 377.28 feet along an arc of a 590.00 foot radius curve to the left (center bears South 16°20'15" East long chord bears South 55°20'36" West 370.89 feet with a central angle of 36°38'19") along said easement; thence northerly 44.07 feet along an arc of a 30.00 foot radius curve to the left (center bears North 52°58'34" West long chord bears North 05°03'37" West 40.21 feet with a central angle of 84°10'05"); thence North 47°08'39" West 34.98 feet; thence northwesterly 127.91 feet along an arc of a 767.00 foot radius curve to the left (center bears South 42°51'21" West long chord bears North 51°55'19" West 127.77 feet with a central angle of 09°33'19"); thence North 56°41'58" West 756.81 feet to the Point of Beginning. Containing 66,779 sq. ft.; 1.53 acres.

NUMBER OF ACRES BY COUNTY: 0.75 acre - Washington County

NUMBER OF ACRES BY FUND: 0.75 acre - School

**BLUEGRASS WAY ROAD DEDICATION (DEVL 933) (CONTINUED)**

MINERAL RESERVATIONS:

Excepting and reserving to the State all coal, oil and gas, and other mineral deposits.

SURFACE RESERVATIONS:

None

Upon recommendation of Alexa Wilson, the Director approved the above item.

**CORRECTION - WATER TANK SITE CONVEYANCE (DEVL 809/EXCH 337)**

IN THE DIRECTOR'S MINUTES OF DECEMBER 15, 2009, PAGES 16 - 17, THE PATENT HAD BEEN ISSUED AND REPORTED WITH AN INCORRECT **LEGAL DESCRIPTION**, AND AN EXCHANGE NUMBER HAD NOT BEEN ISSUED FOR THE TRANSACTION. THE **LEGAL DESCRIPTION** AND **ACREAGE** OF THE PATENT HAVE BEEN CORRECTED PER ISSUANCE OF AN **AMENDED PATENT** AS REPORTED AND SHOWN IN BOLD BELOW, AND AN **EXCHANGE NUMBER** HAS BEEN ASSIGNED IN ORDER TO TRACK THE TRANSACTION.

PROJECT:	South Block
PROJECT MANAGER:	Brent Bluth
PROJECT CODE:	SOBLK 000 00
FUND:	School
<b>EXCHANGE NO.:</b>	<b>337</b>
DEVELOPMENT AGREEMENT NO.:	809
AGREEMENT DATE:	September 12, 2007
PATENT NO.:	20083
PATENT DATE:	September 30, 2008
<b>AMENDED PATENT NO.:</b>	<b>20083</b>
<b>AMENDED PATENT DATE:</b>	<b>February 23, 2010</b>

CONVEYANCE TO:

City of St. George  
175 East 200 North  
St. George, Utah 84770

DESCRIPTION OF TRANSACTION:

On September 12, 2007, Development Agreement 2, DEVL 809/EXCH337 ("Agreement 2"), the Southern Parkway Agreement between the School an Institutional Trust Lands Administration ("SITLA") and the City of St. George ("City"), was fully executed. The said agreement obligates the respective parties to specific performance responsibilities in connection with the construction of the Atkinville Interchange and the Southern Parkway (together the "Transportation Project"), as well as the extension of River Road, including utility infrastructure (the "South Block Development Project").

In Agreement 2, SITLA and the City negotiated and reached an agreement with regard to the certain obligations of each party connected thereto, recognizing that the importance of completion of the Transportation Project and the implementation of the South Block Development Project to both parties are of greater benefit in value than the value SITLA would otherwise receive as compensation from the City for the land. Accordingly, the following action, pursuant to Agreement 2, Section 2.(a)(iv) has been taken to dedicate by patent, one of the parcels of land to the City for the construction and maintenance of one of the water tank sites that will deliver water to the future development of the South Block area. The City has paid all costs for the surveying of the water tank site as well as the costs of all reports,

**CORRECTION - WATER TANK SITE CONVEYANCE (DEVL 809/EXCH 337) (CONTINUED)**

investigations, and other expenses associated with the City's investigation of the water tank site and the construction of the water tank thereon. Additional supporting information is available in the Planning and Development file.

**LEGAL DESCRIPTION:**

**Township 43 South, Range 15 West, SLB&M**  
**Section 29: E2SE4 (within)**

**Commencing at the North ¼ Corner of Section 24, Township 43 South, Range 16 West, Salt Lake Base and Meridian; Thence South 88°50'12" East along the Section line a distance of 492.47 feet; Thence South a distance of 2613.05 feet, to the Point of Beginning;**

**Thence South 30°50'44" West, a distance of 311.24 feet; Thence North 59°09'16" West, a distance of 307.29 feet; Thence North 30°50'44" East, a distance of 258.07 feet; Thence North 18°42'22" West, a distance of 62.82 feet; Thence North 71°17'38" East, a distance of 35.00 feet; Thence South 29°36'56" East, a distance of 28.85 feet; Thence South 59°09'16" East, a distance of 307.29 feet, to the Point of Beginning;**

**Containing: 2.24 acres, more or less.**

This legal description has been reviewed by the GIS Group.

**NUMBER OF ACRES BY COUNTY: 2.24 acres - Washington County**

**NUMBER OF ACRES BY FUND: 2.24 acres - School**

**MINERAL RESERVATIONS:**

Excepting and reserving to the State of Utah all coal, oil and gas and other mineral deposits, along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

**SURFACE RESERVATIONS:**

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception in existence of this date, subject to exceptions and reservations contained in federal patents and clear lists, and subject also to all rights of way for ditches, tunnels, and telephone transmission lines that have been or may be constructed by the United States as provided by statute; also,

Subject to an express covenant that the described and granted premises shall not be used for any purposes other than as a water tank site, which covenants shall run with the land and shall be enforceable by the State of Utah, through the School and Institutional Trust Lands Administration, its successors and assigns.

*This item was submitted by Ms. Andrea James for record-keeping purposes.*

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**ACTIONS CONTAINING FEE WAIVERS**

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**NONE**

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**TRUST ACCOUNTING ACTIONS**

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**CANCELED MINERAL LEASES**

The following mineral leases were not paid on or before the cancellation date of 3/10/2010. Certified notices were mailed.

<u>LEASE #</u>	<u>LESSEE NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
ML 48643	Penney, David L.	SCH	MLRD	GSFS
ML 48662	Emery Industrial Resources, Inc.	SYDC	EMRY	OGH
ML 48675	Pioneer Oil & Gas Company	SCH	SANJ	OGH
ML 48676	Pioneer Oil & Gas Company	SCH	SANJ	OGH
ML 48677	Pioneer Oil & Gas Company	SCH	SANJ	OGH
ML 48678	Pioneer Oil & Gas Company	SCH	SANJ	OGH
ML 48679	Pioneer Oil & Gas Company	SCH	SANJ	OGH
ML 48681	Pioneer Oil & Gas Company	SCH	SANJ	OGH
ML 49591	Kee Nez Resources, LLC	SCH	SANJ	MM
ML 49592	Kee Nez Resources, LLC	SCH	SANJ	MM
ML 49600	EMC Utah Inc.	SCH	GARF	MM
ML 50183	Dotson, Mark	SCH	BEAV	MM
ML 50184	Dotson, Mark	SCH	BEAV	MM
ML 51564	Zullick, Robert	SCH	MORG	OGA
ML 51576-MP	Jiron, Abelecio J.	SCH	UTAH	MMP

Upon recommendation of Mr. Gritzmacher, Budget Manager, the Director approved the cancellation of the above-listed mineral leases for non-payment.

**INTEREST RATES**

Following are the current and past year prime rates:

CURRENT YEAR: 3.25%  
 ONE YEAR AGO: 3.25%